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The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 21

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JOHN A. GIULIANI,
SCOTT R. VANDEVELDE,
and WALEED AL-ATRAQCHI

MAILED
SEP 23 2004
U.S. PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES

Appeal No. 2002-2256
Application 09/286,304[1]

ON BRIEF

Before JERRY SMITH, BARRETT, and SAADAT, Administrative Patent Judges.

BARRETT, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the final rejection of claims 10-24. Claims 1-9 have been canceled.

We affirm-in-part.

[1] Application for patent filed April 6, 1999, entitled "Method and Apparatus for Generating Purchase Incentives Based on Price."

BACKGROUND

The invention relates to a system, a computer-implemented method, and a computer program product for generating purchase incentives based on the price of a purchased item and the price of a second item.

Claim 10 is reproduced below.

10. A system, comprising:

storage means for storing incentive data;

means for selecting incentive data from said storage means depending upon (1) purchase of a first item, (2) a price of said first item, and (3) a price for a second item.

The examiner relies on the following reference:

Deaton et al. (Deaton)	5,687,322	November 11, 1997

Claims 10-24 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Deaton.

We refer to the final rejection (Paper No. 11) and the examiner's answer (Paper No. 15) (pages referred to as "EA__") for a statement of the examiner's rejection, and to the appeal brief (Paper No. 14) (pages referred to as "Br__") and reply brief (Paper No. 16) for a statement of appellants' arguments thereagainst.

OPINION

Grouping of claims

Appellants group the claims as follows (Br3):

Group 1 - claims 10-13, 15, 17-20, 22, and 24
Group 2 - claims 14 and 21
Group 3 - claims 16 and 23

The rejection and arguments

The examiner finds that Deaton discloses a method and system for selective point-of-sale marketing in response to customer shopping histories, referring to the abstract (EA3). The examiner finds that Deaton discloses a storage means for storing incentive data and means for selecting incentive data from the storage means depending upon the purchase of a first item, referring to column 69, lines 14-33, or based on a dollar amount or the number and types of items purchased, referring to column 69, lines 35-46, and column 101, lines 39-59 (EA3-4). The examiner acknowledges that Deaton does not teach selecting incentive data based on the price of a second item, but concludes that it would have been also obvious "to also select incentives based on the price of a second item in order to allow customer loyalty on purchasing a specific type of product as suggest by Deaton et al." (EA4).

Appellants argue that Deaton does not disclose or suggest any method to base an incentive on the <u>price</u> of the purchased (first) item and the <u>price</u> of a second item (Br6). It is argued

that Deaton does not disclose or suggest using differing incentives depending on whether the purchased product is cheaper or more expensive than the second product (Br6).

The examiner responds (EA6) that Deaton teaches generating a coupon based on a product purchase and, when an item is purchased, the item and price of the item are known. Also, the examiner finds, Deaton generates coupons based on a dollar amount purchased by a shopper. Therefore, the examiner concludes, if the item selected causes the amount purchased to exceed the predetermined dollar amount, "the generated coupon would have been based on the purchase of that item and on the price of that item since a determination would have then been made on whether the price of that purchased item exceeds a dollar amount" (EA6).

The examiner further reasons that Deaton teaches generating a coupon based on the purchase of a competitive item, which may be viewed as a second item (EA6). The examiner concludes that it would have been obvious "to select incentive data depending upon the purchase of a first item, the price of a first item and the price of a second item in order to widen the criteria when generating coupons so as to attract more customers to the system and also to allow customer loyalty on purchasing specific types of products" (EA6). This response evidently refers to dependent claim 16, which recites "wherein said first item and said second item are competitive items."

The examiner still further reasons that "[g]enerating an incentive coupon based upon a price difference between a first item and a second item would have been obvious to one of ordinary skill in the art in order to encourage shoppers to purchase many types of items especially out of season items and/or items not easily sold for particular reasons" (EA7). This response evidently refers to dependent claim 15, which recites "wherein said means for selecting selects incentive data based upon a difference in price between said first item and said second item"; claim 10 recites no relationship between the first and second items. Claim 15 is not argued separately.

Appellants argue that Deaton does not provide any teaching to support the examiner's statement (RBr2).

Content of Deaton

Deaton is directed to a system and method for gathering transactional information that could be used in developing customer profiles useful in targeting and implementing advertising, marketing, and promotions (col. 2, lines 11-14), as well as for verification risk management, and for other customer relations purposes such as identifying new customers and profiling regular customers (col. 3, lines 25-30). The targeted marketing techniques are based on an up-to-date customer transaction database which contains relevant information about the frequency of the customer's transactions, the amount of the

transaction, a unique customer identification code, along with current address information (col. 59, lines 59-63; col. 62, lines 62-66). One targeting technique uses the unique customer identification code to identify non-customers in the targeted geographic area (cols. 61-63 § 5.2). Another targeting technique uses the unique customer identification code to identify infrequent customers based on a preselected level of inactivity or that the cumulative dollars spent is equal to or less than a predetermined dollar level within a predetermined time interval (cols. 63-66 §§ 5.3 & 5.4). Another targeting technique is based on the history of the shopper and induces the shopper to return based upon preselected criteria such as purchases above a certain amount of dollars, between certain amounts of dollars, or less than a certain amount of dollars (cols. 66-69 § 5.5, especially col. 69, lines 35-46). Thus, based on shopping habits, coupons and inducements could be made to reward high volume shoppers in order to hold on to especially good shoppers, award a lesser incentive package to good shoppers in order to maintain a consistency such that each shopper receives a coupon package, and enables a high incentive package to be delivered to a customer who is a secondary shopper or who is an infrequent shopper, or order to make then a primary shopper (col. 67, lines 1-12). Deaton also recognizes the prior art technique of generating coupons at the point-of-sale terminal based upon the type of

product purchased and determining that a triggering or competing product has just been purchased by the consumer (col. 69, lines 24-30). Deaton discloses that whereas many of the examples describe generation of coupons based on dollar purchases, similar types of targeted marketing can be based on the types of products bought by the purchaser or the departments of stores from which they were bought (col. 101, lines 39-45). For example, the indication of products purchased could indicate the type of product and the size and type of the product and to generate coupons directed to types of products which have been shown that the customer desires (col. 101, lines 45-54).

Analysis

Group 1 - claims 10-13, 15, 17-20, 22, and 24

Claim 10 is taken as representative.

The examiner finds that Deaton teaches generating a coupon based on a product purchase and based on a dollar amount purchased by the shopper (EA6). When an item is purchased, the item and the price of the price of the item are known (EA6). The examiner also finds that Deaton generates coupons based on a dollar amount purchased by a shopper. Therefore, the examiner concludes, "the generated coupons would have been based on the purchase of that item and on the price of that item since a determination would have then been made on whether the price of that purchased item exceeds a dollar amount" (EA6). The examiner

finds that Deaton does not teach selecting incentive data based on the price of a second item, but concludes that it would have been obvious to select incentives based on the price of a second item "in order to allow customer loyalty on purchasing a specific type of product as suggested by Deaton et al." (EA4).

The examiner's rejection could have been more carefully crafted. Deaton teaches selecting incentive data based on purchase of a first item (e.g., col. 69, lines 24-26), and teaches selecting incentive data based on the amount of dollars spent (e.g., col. 69, lines 35-43). The rejection apparently takes it for granted that the incentive selection is based on both the purchase of a particular product and on the amount of dollars (EA3-4), although Deaton discusses the techniques separately. Nevertheless, we conclude that it would have been obvious to one of ordinary skill in the marketing art to combine any of the incentive techniques in Deaton, each for its intended purpose. The rejection should have recognized and expressly addressed this difference. This rejection is based on the conclusion that it would have been obvious for the incentive selection in Deaton to be based on both the purchase of a particular product and on the amount of dollars spent.

Assuming the incentive in Deaton is based both upon the product purchased and the dollar amount purchased, then the incentive would depend upon "(1) purchase of a first item,

(2) a price of said first item, and (3) a price for a second item," as recited in claim 10. It is self-evident that the incentive is based on "(1) purchase of a first item." The incentive depends upon "(2) price of a first item, and (3) a price for a second item," at least indirectly, because the incentive depends on the dollar amount purchased which, in turn, depends on the price of the items. The independent claims are extremely broad and do not recite any relationship between the first and second items, e.g., that they are competitive items as in claim 16, or between the price of the first and second items, e.g., based upon a difference in price between the first and second items as in claim 15. That is, the second item can be completely unrelated to the first item. It is sufficient that some other item than the first item is used to meet the dollar amount limit. Note also that the independent claims do not state that the incentive data is selected based <u>only</u> on the purchase of a first item, a price of a first item, and a price for a second item. Based on this interpretation, it is unnecessary to rely on the examiner's reasoning to base the incentives on the price of a second item "in order to allow customer loyalty on purchasing a specific type of product as suggested by Deaton et al." (EA4); we do not understand or agree with this reasoning.

We do <u>not</u> agree with appellants' findings 33, 35, and 36 (App. II, p. 4) as to the claims in Group I because claim 10

recites selecting incentive data depending upon the price of the first and second items in some unclaimed way, not depending on the "difference in price" as stated in finding 33, or "whether the purchased product is cheaper or more expensive than the second product" as stated in finding 35, or "whether the purchased product was more or less expensive than a second product" as stated in finding 36.

The examiner has proposed several reasons why it would have been obvious to select an incentive based on the price of a second item "in order to allow customer loyalty on purchasing a specific type of product as suggest by Deaton et al." (EA4), "in order to widen the criteria when generating coupons so as to attract more customers to the system and also to allow customer loyalty on purchasing specific types of products" (EA6), and "in order to encourage shoppers to purchase many types of items especially out of season items and/or items not easily sold for particular reasons" (EA7). None of these reasons finds support in Deaton (or, at least, the examiner has not pointed to any). It is not persuasive to make up motivation that is not supported by the reference. Even if these statements were found in Deaton, it is not clear why they suggest the modification proposed by the examiner. We sustain the rejection based on our interpretation of an incentive system based both upon the product purchased and the dollar amount purchased, as meeting claim 10.

For these reasons, we conclude that the subject matter of independent claim 10 would have been obvious. Accordingly, the rejection of claims 10-13, 15, 17-20, 22, and 24 is sustained.

Group 2 - claims 14 and 21

Claim 14 recites storing first and second incentive data associated with the purchase of a first item and then selecting "said first incentive data or said second incentive data, depending upon said price of said first item and said price of said second item."

The examiner states that providing more than one incentive for a given purchased item was well known in the art, e.g., automobile dealers offer the incentive options of a cash rebate or an additional item for selection by a buyer, and "[d]oing the same in the system of Deaton et al would have been obvious to the skilled artisan in order to make the system attractive to different types of customers" (EA4).

Appellants argue that Deaton does not disclose the concept of claims 14 and 21 (Br6).

We do not find anything in Deaton that suggests selecting different incentive data depending on the price of the first and second items. The examiner's reasoning does not address the actual claim language which requires selection of different incentives based on the price of the first and second items.

Moreover, it is again not persuasive to make up reasons not supported by the reference.

The rejection of claims 14 and 21 is reversed.

Group 3 - claims 16 and 23

Claim 16 recites "[t]he system of claim 10 wherein said first item and said second item are competitive items."

The examiner states that Deaton discusses providing incentives in which purchased items are competitive items (EA5).

Appellants argue that Deaton does not disclose the limitations of claims 16 and 23 (Br6).

While it is true that Deaton discloses providing incentives based on the purchase of a competitive item, the rejection does not state how that fact meets or makes obvious the limitations of claim 10 as modified by dependent claim 16. Deaton provides incentives based upon the purchase of a first item or a competing item, and not the price of the first item and the price of a competing second item as required by claim 16.

The rejection of claims 16 and 23 is reversed.

CONCLUSION

The rejection of claims 10-13, 15, 17-20, 22, and 24 is sustained.

The rejection of claims 14, 16, 21, and 23 is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED-IN-PART

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